

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

**Evergreen Escrow, Inc. dba Evergreen Note
Servicing**
License No. FL-0019074

Enforcement Case No. 20-16175

Respondent.
_____ /

Issued and entered
on April 29, 2021
by Judith A. Weaver
Senior Deputy Director

ORDER ACCEPTING STIPULATION AND REQUIRING COMPLIANCE AND PAYMENT OF FINES

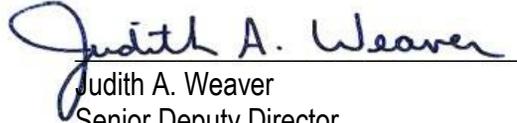
Based upon the Stipulation to Entry of Order and the files and records of the Department of Insurance and Financial Services (DIFS), the Senior Deputy Director finds and concludes that:

1. The Senior Deputy Director has jurisdiction and authority to adopt and issue this Order Accepting Stipulation and Requiring Compliance and Payment of Fines in this proceeding pursuant to the Mortgage Brokers, Lenders, and Servicers Licensing Act (MBLSLA), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Michigan Administrative Procedures Act of 1969 (APA), MCL 24.201 *et seq.*,
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the Stipulation to Entry of Order is reasonable and in the public interest.
4. All applicable provisions of the APA have been met.
5. Respondent has given cause to justify this Order.

Now therefore, based upon the Stipulation to Entry of Order and the facts surrounding this case, **IT IS ORDERED THAT:**

- A. Respondent shall comply with all terms agreed to in the Stipulation to Entry of Order.
- B. Respondent shall pay a civil fine of \$7,000.00 within 30 days of the issuance of a DIFS invoice for said amount.

- C. The Senior Deputy Director retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as shall be deemed just, necessary, and appropriate in accordance with the MBLSLA. Failure to abide by the terms and provisions of the Stipulation to Entry of Order and/or this Order may result in the commencement of additional proceedings.


Judith A. Weaver
Senior Deputy Director

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In the matter of:

**Evergreen Escrow, Inc. dba Evergreen Note
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Respondent.
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**STIPULATION TO ENTRY OF ORDER
REQUIRING COMPLIANCE AND PAYMENT OF CIVIL FINES**

Petitioner, Department of Insurance and Financial Services (DIFS), and Respondent, Evergreen Escrow, Inc. dba Evergreen Note Servicing, stipulate to the following:

1. On or about December 3, 2020, DIFS issued a Notice of Opportunity to Show Compliance (NOSC) along with a Statement of Factual Allegations to Respondent, pursuant to the provisions of the Michigan Administrative Procedures Act (APA), 1969 PA 306, as amended, MCL 24.201 *et seq.*
2. The NOSC contained allegations that Respondent was in violation of the Mortgage Brokers, Lenders, and Servicers Licensing Act, 1987 P.A. 173, as amended, MCL 445.1651 *et seq.*, (MBLSLA). Specifically, DIFS alleged that, upon obtaining new accounts, Respondent: (a) failed to obtain sufficient information to determine which note holders met the definition of a "creditor," as defined in section 103(g) of the Consumer Credit Protection Act, 15 U.S.C. 1602(g); (b) failed to identify the purpose and property type for loans; and (c) failed to send a Notice of Servicing Transfer/Welcome Letter to consumers indicating the date that Respondent would begin servicing the accounts. Additionally, the NOSC alleged that periodic statements were missing required information, that multiple loans were not serviced according to the contractual provisions of the land contract, that Respondent failed to provide consumers a validation of debt letter, and that Respondent maintained insufficient funds in its escrow account to cover its total escrow liability. DIFS alleged that, by engaging in these actions, Respondent violated several provisions of the MBLSLA, including Section 21(1), MCL 445.1671(1), Section 22(a), MCL 445.1672(a), Section 22(b), MCL 445.1672(b), and Section 22(f), MCL 445.1672(f).
3. Subsequent to the issuance of the NOSC, DIFS Staff and Respondent conferred and agreed to resolve this matter, pursuant to the terms set forth below.
4. Respondent has reviewed and voluntarily consented to the entry of the Order Accepting Stipulation that will be entered in this enforcement case.
5. Respondent admits the allegations contained in the NOSC and agrees to obey all provisions of the MBLSLA in the future. Moreover, Respondent agrees to correct all deficiencies noted in DIFS' April 3, 2020 Examination Report within 60 days of the entry of the Order Accepting Stipulation in this matter.

6. Respondent agrees that it will employ and ensure continued employment of a compliance officer within 60 days of the Order Accepting Stipulation in this matter. This compliance officer's primary duties must include the responsibility to promptly respond to regulator inquiries and to ensure that Respondent's policies, procedures, practices, and daily operations are in compliance with the MBLSLA. The officer must conduct, at a minimum, a yearly review of Respondent's policies, procedures, and practices to ensure that they comply with the MBLSLA and all other applicable laws. Respondent agrees that the compliance officer's findings must be promptly provided to DIFS upon request.
7. Respondent agrees that it will pay to the State of Michigan, through DIFS, administrative and civil fines in the amount of \$7,000.00. Respondent further agrees to pay the fine by the invoice due date.
8. Respondent agrees that the procedural requirements of the Administrative Procedures Act and the Mortgage Brokers, Lenders, and Servicers Licensing Act have been met in all respects by both parties.
9. Respondent understands and agrees that this Stipulation will be presented to the Senior Deputy Director for approval. The Senior Deputy Director may, in her sole discretion, decide to accept or reject the Stipulation and Order. If the Senior Deputy Director accepts the Stipulation and Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Order. If the Senior Deputy Director does not accept the Stipulation and Order, Respondent waives any objection to the Director holding a formal administrative hearing and making a decision after such hearing.
10. Respondent understands and agrees that failure to abide by and fully comply with the terms and conditions of this Stipulation and Order may, at the discretion of the Senior Deputy Director, result in further administrative compliance actions.
11. Respondent has had an opportunity to review this Stipulation and the accompanying Order Requiring Compliance and Payment of Civil Fines and have the same reviewed by legal counsel.
12. The parties agree that the Stipulation to Entry of Order represents the full and complete agreement of the parties in this matter and, in the event that the Stipulation is accepted by the Senior Deputy Director, shall completely resolve the enforcement case captioned above.



On Behalf of Evergreen Escrow, Inc.

Philip Druden, President

Print Name and Title

Gary Grant (P76261)
DIFS Staff Attorney

4/21/2021

Dated

Dated

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On Behalf of Evergreen Escrow, Inc.

Dated

Print Name and Title



Gary Grant (P76261)
DIFS Staff Attorney

April 29, 2021

Dated